

Chapter 2    **Roles and Responsibilities****Content**

<b>Section/Subject</b>	<b>Page</b>
2.1 Introduction.....	1
State Funded Projects.....	1
Federal-Aid Projects.....	1
2.2 National Highway System .....	2
2.3 Stewardship and Oversight Agreement.....	2
2.4 Delegated Projects .....	3
2.5 High Profile Projects .....	5
High Profile Project Selection Process .....	5
2.6 Right-of-Way Certification Delegation.....	7
2.7 Projects Off the National Highway System (Non-NHS).....	7
2.8 Projects on the National Highway System (NHS) .....	7
Field Reviews .....	7
PS&E Procedures for Significant NHS Projects.....	8
Design Standards.....	8
Method of Construction .....	8
Restricted Construction Contract Provisions .....	8
Construction Administration for Significant NHS Projects .....	8
Quality Assurance Programs.....	8
Final Inspection.....	9
2.9 Federal-Aid Projects of \$100 Million to \$500 Million or More.....	9
Projects of \$500 Million or More.....	9
Project Management Plan.....	9
Financial Plan.....	9
Projects between \$100 Million and \$500 Million.....	10
Assistance .....	10
2.10 FHWA Responsibilities .....	12
Project Implementation .....	12
2.11 Caltrans Responsibilities .....	13
Policy and Procedures .....	13
Program Management .....	13
Conflict of Interest.....	13

Project Implementation .....	14
Oversight .....	15
Maintenance Reviews .....	15
2.12 City, County and Other Local Public Agency Responsibilities .....	15
Project Implementation .....	15
Responsible Charge.....	17
2.13 California Transportation Commission (CTC).....	17
Fund Allocation .....	17
2.14 Metropolitan Planning Organizations, Regional Transportation Planning Agencies and County Transportation Commissions .....	18
2.15 Other Public Agencies and Organizations.....	18
2.16 References.....	18

## Chapter 2 Roles and Responsibilities

### 2.1 INTRODUCTION

Within Caltrans, the responsibility for administering and managing the federal and state local assistance highway programs resides in the Division of Local Assistance (DLA) under Planning and Modal Programs. Each of the twelve Caltrans districts has a District Local Assistance Engineer (DLAE) who is the local agency's primary contact for processing projects, providing assistance for local agency development efforts, and answering local agency questions. Please refer to [\*Exhibit 2-A Caltrans District Local Assistance Offices\*](#), of this chapter for current district boundaries and mailing addresses.

The responsibility for implementing individual projects on the local streets, roads, and other transportation systems resides with the local agencies, principally the cities and counties.

#### State Funded Projects

State funded local assistance projects must be developed in accordance with policy and procedural requirements as specified in state law by the California Transportation Commission (CTC) and Caltrans. These state policies and procedural requirements are separate from federal requirements. It is Caltrans' policy to provide these funds to local transportation programs with a minimum of state oversight. However, because procedures vary with each state funding program, the Local Assistance Program Guidelines (LAPG) should be referenced for a detailed explanation of the roles and responsibilities.

#### Federal-Aid Projects

The Federal Highway Administration (FHWA) is the federal agency most typically involved in transportation projects undertaken with federal funding and/or approval action for the programs discussed in this manual. It has the authority and responsibility for implementing and monitoring federal laws, regulations, and executive orders affecting these programs. When a project involves federal funding, the FHWA is involved according to these responsibilities and the delegations in the Stewardship Agreement described below. When another federal agency has permit jurisdiction or other role in the development of a project, the FHWA frequently becomes involved in the process as either lead or co-lead federal agency.

Caltrans obtained major delegations of authority and/or responsibility from FHWA as allowed under the provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005 and previous transportation acts. Since the reengineering of local assistance procedures in 1995, Caltrans has passed on these delegations to local agency partners to the greatest extent possible. Delegation includes the accountability for initiating and completing each project phase in accordance with the appropriate state and federal laws and regulations without extensive FHWA or state oversight. Caltrans has the responsibility to ensure that locals are administering the federal-aid program in conformance with the applicable federal requirements.

Federal-aid projects must be included in a regional transportation plan and the approved Federal Statewide Transportation Improvement Program (FSTIP). This inclusion must precede

fund authorization for any activity for which federal-aid funds are being sought. The responsibility for selecting the program of projects for inclusion in the urbanized area Federal Transportation Improvement Program (FTIP) resides with the Metropolitan Planning Organizations (MPOs). The County Transportation Commissions and Regional Transportation Planning Agencies (RTPAs) also have a role in programming projects for the FTIP and the state funded State Transportation Improvement Program (STIP). Their selections must be done in consultation with the state, cities, counties, and other transportation agencies within the area. The FTIPs are incorporated into the STIP. Caltrans works with the non-MPO local agencies to program projects in the STIP.

[\*Exhibit 2-B: Project Responsibilities List\*](#), outlines the roles and responsibilities of the parties involved in local federal-aid transportation projects. The chapters in this manual provide the details for carrying out these responsibilities.

## 2.2 NATIONAL HIGHWAY SYSTEM

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) established provisions for Congress to adopt a National Highway System (NHS) to provide an interconnected system of principal arterials that serve major population centers, international border crossings, ports, airports, public transportation facilities, intermodal transportation facilities, and other major travel destinations; meet national defense requirements; and serve interstate and interregional travel.

Until Congress made its official adoption, the NHS was defined as all principal arterials, including the Interstate System. On November 28, 1995, the President signed the legislation defining the NHS to include all Interstate System routes, a selection of urban and rural principal arterials, the defense Strategic Highway Network including Strategic Highway Network connectors, and intermodal connectors. As a result of MAP-21, there are about 230,000 NHS centerline miles nationwide, including 14,160 NHS centerline miles in California.

About 5,453 of the 14,160 NHS miles in California are off the NHS.

See [Local Assistance Program Guideline \(LAPG\) Chapter 3: Federal-Aid Routes & Functional Classifications](#), for further discussion and a listing of the local agency NHS routes under [CA Non-State Highway NHS](#) Excel worksheet.

Some procedures in this manual for projects on the NHS are different from those for projects not on the NHS (non-NHS). One of the early local agency determinations should be whether the project is on the NHS or not.

## 2.3 STEWARDSHIP AND OVERSIGHT AGREEMENT

The purpose of the FHWA/Caltrans Joint Stewardship and Oversight Agreement (Agreement) is to define roles and responsibilities, outline authorities, and assure accountability in effectively and efficiently managing program and project delivery of the Federal-Aid Highway Program (FAHP).

Authority for the Agreement comes from 23 USC 106(c) which requires the United States Department of Transportation (USDOT) and the State to enter into an agreement for the extent to which the State assumes the project approval and oversight responsibilities of the USDOT.

Unlike previous stewardship agreements, the current Agreement utilizes a risk-based approach to manage the FAHP. This innovative way of doing business represents a paradigm shift in the joint and collaborative management of the FAHP. Through this Agreement, the FHWA has delegated responsibility for oversight and approval of low-risk project level activities to Caltrans.

The approach to high-risk project oversight is conducted in two steps as explained in Section 2.5 High Profile Projects: 1) select the projects that traditionally pose a risk to the health of the FAHP (High Profile projects), and 2) within each High Profile project, further delegate approval authorities for activities that pose a low risk to that individual project.

## 2.4 DELEGATED PROJECTS

Projects not selected as High Profile are lower-risk and referred to as Delegated Projects. For Delegated Projects, Caltrans has authority for all aspects of a federal-aid project except those activities which may not be delegated by federal law (requiring FHWA approval). Prior to September 2007, these projects were referred to as “State-Authorized” projects defined by set criteria (rather than risk) such as non-Interstate 3R projects, Interstate construction projects under \$1 million, non-NHS projects, etc. Delegated Projects include projects that are routine and inherently low risk in which Caltrans has a high level of experience and well documented procedures and processes in place for ensuring compliance with federal requirements. Project level approval authority for these projects follows that outlined in [\*Exhibit 2-B: Project Responsibilities List\*](#).

Over 99% of Local Assistance projects are delegated in which Caltrans or the local agency has approval authority for most project level activities. The FHWA’s delegation of low risk project level approval to Caltrans only functions as long as those activities remain low risk. If oversight reveals concerns with Caltrans approval process for delegated activities, these activities have the potential to become high risk (High Profile), and therefore could alter Caltrans or the FHWA’s involvement in their approval.

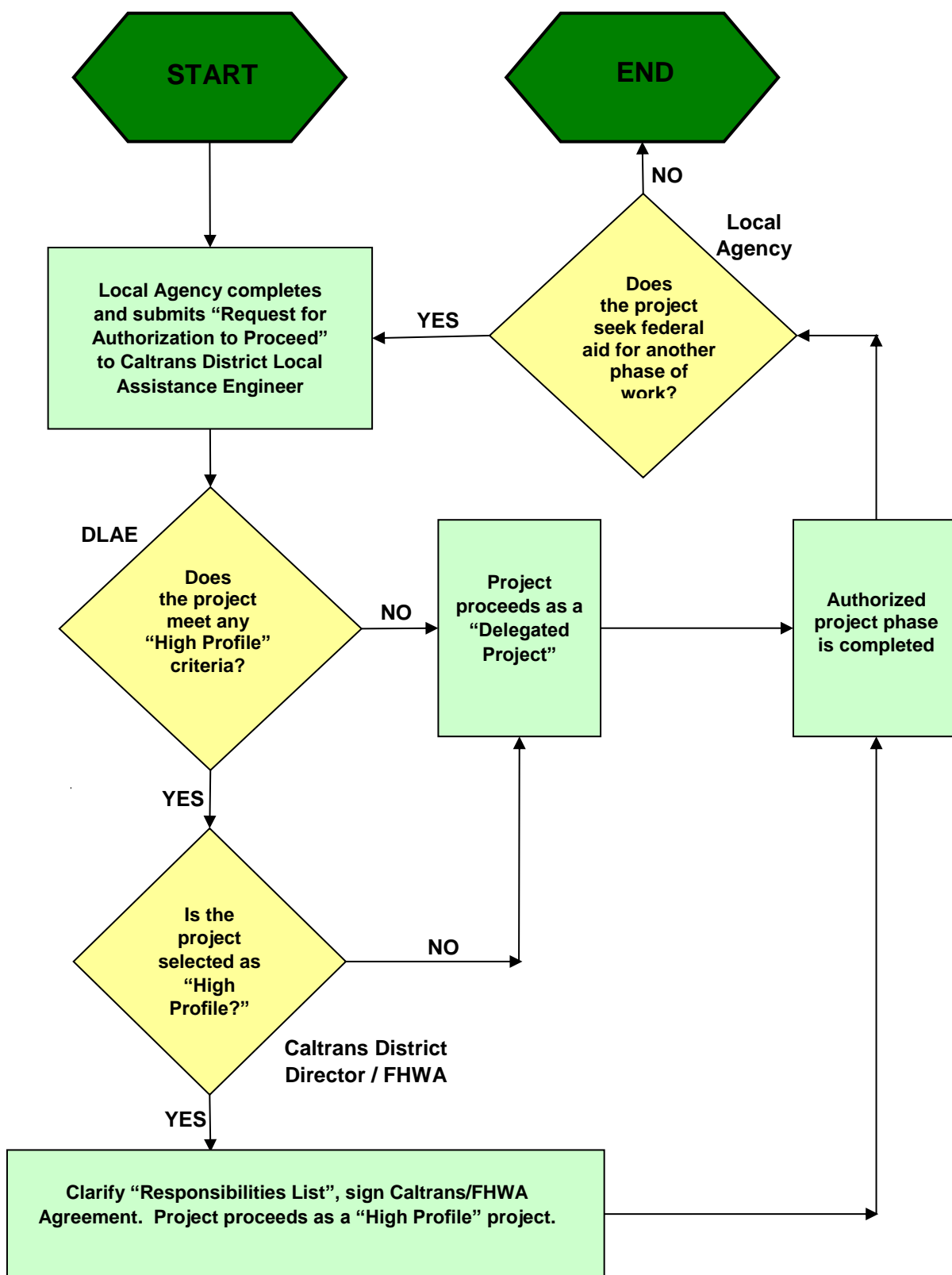


Figure 2-1. High-Profile/Delegated Project Identification Process

## 2.5 HIGH PROFILE PROJECTS

High-risk projects are designated as High Profile projects. Prior to September 2007 these projects were referred to as FHWA Full-Oversight projects based on set criteria (rather than risk) such as Interstate construction over \$1 million, major Intelligent Transportation System, etc. While Caltrans is responsible for approving most project level activities on low risk (delegated) projects, the FHWA maintains many project level approval activities for High Profile projects.

Project level approval authority for High Profile projects are project specific. Very few Local Assistance projects are designated as High Profile. Each High Profile project requires a unique Project Oversight Agreement, an example of which is shown in Appendix B of 2010 FHWA/Caltrans [Joint Stewardship and Oversight Agreement](#).

### High Profile Project Selection Process

High Profile determinations are a joint, cooperative effort made on a project-by-project and phase-by-phase basis. Projects not meeting the criteria below are considered delegated.

The criteria for High Profile project consideration are listed below. However, a project can meet one of these criteria but still not be determined by FHWA as High Profile.

- Controversial and Congressional Interest projects
- Pilot projects
- Executive Order 13274 projects – Environmental Stewardship and Streamlining
- Interstate projects containing:
  - Design exceptions relating to the controlling criteria
  - New or modified access points
  - Innovative contracting method projects with federal funds
- Invitational projects
- Major Intelligent Transportation Systems (ITS) projects
- Major Projects (>\$500 M)
- Non-Traditional Revenue Sources projects
- Special Experimental Projects – Alternative Contracting (SEP-14)
- Special Experimental Projects Public Private Partnerships (SEP-15)
- Unusual Bridge and Structure projects

Caltrans and the FHWA jointly determine which projects are considered to be High Profile based on the criteria listed above. Appendix B of the FHWA/Caltrans [Joint Stewardship and Oversight Agreement](#) defines each criterion and provides examples. The High Profile project determination is made at the District level in conjunction with FHWA.

One goal under the Agreement is to identify High Profile projects and FHWA approval/involvement level as early as possible (prior to “Authorization to Proceed”). Continuous, open communication takes place throughout the year regarding the selection of High Profile projects. Quarterly meetings between Caltrans and the FHWA are scheduled to discuss any changes to the known or anticipated High Profile projects. Those projects selected as High Profile are mutually agreed upon by the appropriate Caltrans District and FHWA. The steps for identifying High Profile Local Assistance projects are as follows (see **Figure 2-1**):

1. **Pre-Authorization:** Caltrans Local Assistance procedures, checklists, and forms requires local agencies to assess proposed projects against the High Profile criteria and identify whether they think the project qualifies as a High Profile project prior to each “Authorization to Proceed.”
2. **Initial Authorization to Proceed:** The local agency indicates whether the project meets any High Profile project criteria in their initial Request for Authorization to Proceed package ([Exhibit 3-E: Request for Authorization To Proceed Data Sheet](#)). The Caltrans District will assess the Request for Authorization to Proceed package to determine if the project meets any of the criteria for High Profile projects listed above. The District may request assistance from Caltrans Headquarters’ Division of Local Assistance (DLA).

If the assessment reveals that the project does meet one or more of the above criteria, then the Caltrans DLAE will contact the FHWA representative to discuss the assessment of the project. At this point, the Caltrans and FHWA representatives will jointly decide if the project meets the above criteria. If the joint decision is that one or more of the criteria are met, then the representatives will jointly decide if the criteria met are enough to warrant selection as a High Profile project. If the project does not meet the criteria, as determined by the District Local Assistance Engineer (DLAE), then the project will move forward as a Delegated project.

Once a project has been selected as a High Profile project, a High Profile Project Oversight Agreement (refer to Appendix B of the [2010 Joint Stewardship and Oversight Agreement](#)) will be filled out to identify FHWA and Caltrans project approval authorities for that particular project. The High Profile Project Oversight Agreement will document those areas where FHWA will have approval authority. It will also provide a project description, federal-aid and state project numbers, and a discussion of FHWA’s involvement on the project outside of the approval authority.

The DLAE will work directly with the Local Agency and FHWA to assure that the project responsibilities of the High Profile Project Oversight Agreement are fulfilled.

Caltrans headquarters’ DLA may assist the District as requested. (For Major Projects, this information will be captured in an Oversight Agreement.) If a project is determined to be High Profile at the initial “Authorization to Proceed,” then the High Profile Project Oversight Agreement will be revisited once the project moves closer to construction. The information within the High Profile Project Oversight Agreement will be jointly agreed upon by the Caltrans District Director (or designee) and FHWA representatives and will include signatures acknowledging this Agreement. Appropriate local agency representative signature is optional.



3. ***Subsequent Authorization to Proceed:*** As in the initial “Request for Authorization to Proceed,” the project will be reassessed against the High Profile project criteria by Caltrans DLAE and FHWA at each of the subsequent “Request for Authorization to Proceed” milestones. At these milestones, it will be jointly decided if the project meets the High Profile criteria and should be de-selected, selected, or continued as a High Profile project. If the reassessment at these milestones reveals that the project meets one of the High Profile criteria and should be selected as a High Profile project, then the same process described under step 2 above will be followed. Otherwise, the project will proceed as a Delegated Project.

Once a project or phase is determined to be High Profile, the process is carried one step further by highlighting activities on the Project Responsibilities List that can be further delegated. The FHWA maintains approval authority for those activities that cannot, by law, be delegated, and activities that may pose a risk to individual projects. Highlighted boxes in the High Profile projects column of the Project Responsibilities List (refer to Appendix B of the [2010 Joint Stewardship and Oversight Agreement](#)) are designated as either the FHWA or Caltrans and signed and dated by both agencies. The documented and signed Project Responsibilities List may also include a general summary of other involvement, including attending regular meetings, conducting project inspections, etc.

## 2.6 RIGHT-OF-WAY CERTIFICATION DELEGATION

In addition to the delegations discussed above, the FHWA has also approved Caltrans request for delegation of right of way certificate approval for Delegated Projects and not subject to FHWA oversight per the Stewardship Agreement. Procedures for processing local agency right of way certifications are described in Chapter 13, “Right of Way,” of this manual.

## 2.7 PROJECTS OFF THE NATIONAL HIGHWAY SYSTEM (NON-NHS)

The reengineering of local assistance procedures in 1995 gave local agencies additional responsibility and accountability for non-NHS projects. Many of the responsibilities delegated to Caltrans under the Stewardship Agreement are further delegated to the local project sponsors. Caltrans preliminary engineering, construction review and approval activities are reduced, and other activities involving environmental reviews, project authorization, Disadvantaged Business Enterprises, consultant selection, and agreement procedures are streamlined to eliminate duplication of effort and multiple reviews.

## 2.8 PROJECTS ON THE NATIONAL HIGHWAY SYSTEM (NHS)

The delegation of responsibilities to local agencies described above for non-NHS projects also applies for NHS projects. With the following exceptions (discussed in detail in the appropriate chapters of this manual), procedures are the same for both types of projects.

### Field Reviews

Field reviews are required for local agency projects on the National Highway System and encouraged for all other federal-aid projects. If the field review is not performed, document on

the field review form the reasons why the field review was not performed, as a completed field review form is required for all federal-aid projects.

### **PS&E Procedures for Significant NHS Projects**

When Caltrans requires a field review for significant NHS projects, plans, specifications and estimate (PS&E) procedures (standards, agencies involved, use of consultants, project management, specifications, etc.) will be discussed. These procedures will be put in writing for Caltrans approval before final design is initiated. With approval, the local agency will then certify their PS&E(s) for these projects the same as they do for non-NHS projects upon completion of the PS&E. Caltrans may review the PS&E(s) if resources are available, or as part of a process review. NHS projects that are not “significant” will not require these approval procedures.

### **Design Standards**

Local agencies are required to use only American Association of State Highways and Transportation Officials (AASHTO), 3R, and other design standards officially approved for use on NHS projects that are off the SHS. For SHS projects, Caltrans standards are to be used. Locally approved design standards are not allowed on NHS projects, however Caltrans may approve exceptions on a project-by-project basis except on High Profile projects, which requires FHWA approval.

### **Method of Construction**

In general, an open and competitive bidding process must be used for construction contracts on federal-aid projects. Exceptions to competitive bidding of construction contracts, must include a Public Interest Findings approved by Caltrans for Delegated Projects. FHWA approval of the Public Interest Findings may also be required on High Profile projects.

### **Restricted Construction Contract Provisions**

Warranty clauses are restricted on NHS projects and the use of proprietary items is restricted on all federal-aid projects.

### **Construction Administration for Significant NHS Projects**

When Caltrans requires a field review for significant NHS projects, the local agency's construction administration procedures (staging, agencies involved, use of consultants, project management, quality assurance, etc.) will be discussed. These procedures will be put in writing for Caltrans approval before the Request for Authorization for Construction is approved. Caltrans will not review the construction administration unless requested and resources are available, or as part of a process review.

### **Quality Assurance Programs**

Local agencies may use the Quality Assurance Program described in this manual for projects on or off the NHS. Caltrans will perform Independent Assurance (IA) if Caltrans test methods are used.

## Final Inspection

The local agency will make a final inspection of completed Delegated Projects prior to FHWA authorizing reimbursement of the final project voucher.

## 2.9 FEDERAL-AID PROJECTS OF \$100 MILLION TO \$500 MILLION OR MORE

### Projects of \$500 Million or More

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU ) requires that all local agencies receiving any amount of federal financial assistance for a “major” project with an estimated total cost of \$500 million or more (includes all phases) and local agencies for such projects as may be identified by FHWA, submit to Caltrans for each project:

- A Project Management Plan
- An Annual Financial Plan

A cost estimate review must be completed by FHWA prior to the Final NEPA document, and prior to the construction authorization for all major projects (≥ \$500 million).

### Project Management Plan

A draft Project Management Plan shall be submitted prior to the Record of Decision (ROD), Finding of No Significant Impact (FONSI), or Categorical Exclusion (CE) determination. A final Project Management Plan shall be submitted within 90 days after the ROD, FONSI, or CE determination which determine the scope of the projects. The plan shall:

- Document the procedures and processes that are in effect to provide timely and appropriate information to the project decision makers to effectively manage the scope, costs, schedules, quality of, and the federal and state requirements applicable to the project.
- Document the role of the agency leadership and management team in the delivery of the project
- Be updated and submitted with the construction authorization request and updated thereafter, as required.

### Financial Plan

A Financial Plan for major projects of \$100 million to \$500 million or more must:

- Be submitted when all elements of the plan are fully completed, but not later than when requesting federal authorization to proceed with construction. If the local agency waits until requesting authorization to submit the Financial Plan for projects \$500 million or more, the authorization will be delayed since FHWA headquarters has to concur in the approval of the Financial Plan. For design build projects, the plan must be received prior to award of the design build contract.
- Be updated and submitted annually once the initial Financial Plan is approved until construction is substantially complete.

- Be based on detailed estimates of the cost to complete the project.
- Provide for the annual submission of updates to Caltrans that are based on reasonable assumptions as determined by Caltrans of future increases in the costs to complete the project.
- Use costs expressed in year of expenditure dollars and estimated using a risk-based approach consistent with current FHWA Cost Estimating Guidance located at:  
[http://www.fhwa.dot.gov/ipd/project\\_delivery/defined/fhwa\\_delivery\\_process.htm](http://www.fhwa.dot.gov/ipd/project_delivery/defined/fhwa_delivery_process.htm)

### **Projects between \$100 Million and \$500 Million**

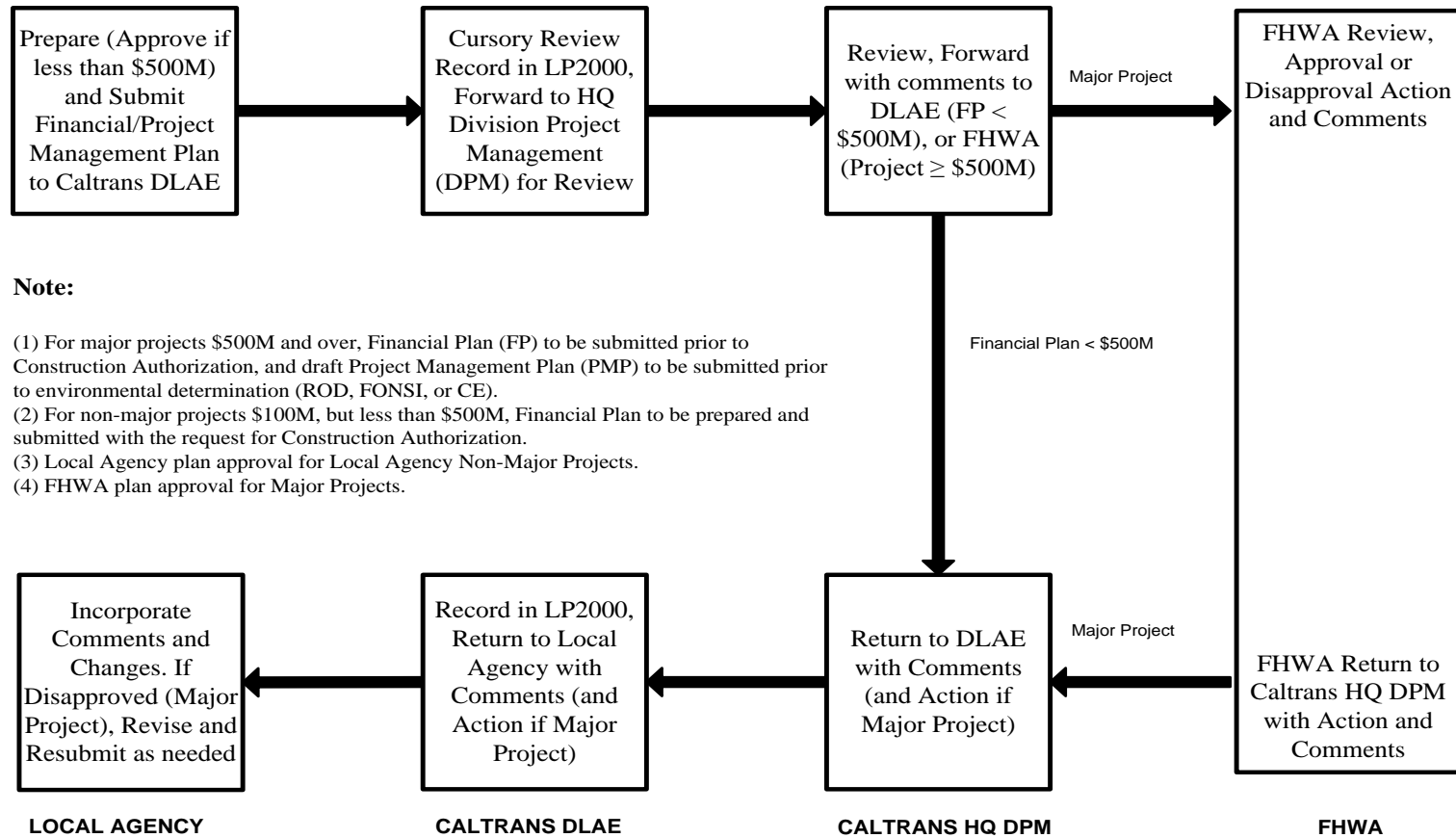
SAFETEA-LU also requires that all local agencies receiving any amount of federal-aid for a project with an estimated total cost of \$100 million or more shall prepare an annual Financial Plan and make the plan available to Caltrans/ FHWA upon request. FHWA-California Division has made a “blanket” request that Financial Plans for “major” projects with an estimated total cost of \$100 million or more, but less than \$500 million be submitted with the Construction Authorization request.

The process for submitting, reviewing, and approving these plans is shown in Figure 2-2. These projects require a Project Oversight Agreement (Joint Stewardship Agreement, Appendix B) signed by FHWA, Caltrans and, if applicable, the local agency.

### **Assistance**

Information regarding the preparation, timing, etc., of the above plans is available through the DLAE. Other valuable information that may be helpful in the preparation of the above plans as well as other project areas is available at the FHWA Web site at:

[http://www.fhwa.dot.gov/ipd/project\\_delivery/defined/fhwa\\_delivery\\_process.htm](http://www.fhwa.dot.gov/ipd/project_delivery/defined/fhwa_delivery_process.htm)

**LOCAL AGENCY PROJECTS EQUAL OR OVER \$100 M (FP) & \$500 M (FP&PMP)****Figure 2-2. Major Federal-aid Project Flowchart**

## 2.10 FHWA RESPONSIBILITIES

As discussed above, the FHWA has the overall responsibility for the Federal-Aid highway Program (FAHP) pursuant to 23 USC § 106 with the exception of the environmental responsibilities under SAFETEA-LU Sections 6004 and 6005 (23 USC § 326 and 327). In addition, the FHWA is ultimately responsible for ensuring the financial integrity and compliance with applicable federal laws and regulations.

Through the stewardship agreement, FHWA and Caltrans have committed to work cooperatively to identify appropriate stewardship and oversight initiatives using a risk-based, performance management approach. At the program level, strategic stewardship and oversight are to be achieved by effectively managing the program through: continuous program-level involvement; promoting new initiatives and concepts; participating on relevant joint task forces, joint committees, and joint quality improvement teams; assisting other stakeholders with program-related issues; conducting program assessments; conducting program reviews; and performance monitoring via performance measures and indicators.

### Project Implementation

At the project-level, strategic stewardship and oversight are accomplished through: conducting routine approval actions; verifying compliance through project-level samples; and conducting strategic project oversight. Routine approval actions are identified in [Exhibit 2-B: Federal-Aid Project Responsibilities List](#) and are those actions which have not been delegated to Caltrans.

These include, but are not limited to:

- Federal-aid project agreements and modifications
- Obligation of federal funds
- Reimbursement to Caltrans of interim and final vouchers
- Project-level conformity determinations
- Right-of-Way Certificate 3
- Protective buying and hardship acquisition
- New/modified interstate access determination of engineering and operations acceptability (minor access changes assigned to Caltrans, see letter dated September 15, 1994)
- Design exceptions on the interstate
- Buy America waivers
- Innovative contracting practices

Strategic project oversight is accomplished through the High Profile project process described in Section 2.5. For projects that are determined to be of high-risk to the FAHP, FHWA and Caltrans will jointly determine which project-level approvals will be retained by the FHWA division office or delegated to Caltrans. In general, all major projects (those projects with total cost greater than \$500 Million) will be High Profile projects.

## 2.11 CALTRANS RESPONSIBILITIES

Caltrans is responsible and accountable to the FHWA for administering the successful implementation of federal-aid programs and projects in accordance with laws, regulations, and policies that govern the federal-aid program. Caltrans also administers the implementation of state funded programs and projects for the California Transportation Commission and State Legislature.

These responsibilities are divided into three areas: Policy and Procedures, Program Management, and Project Implementation.

It is imperative that Caltrans employees involved in project ranking or scoring, or process reviews, have a completed Conflict of Interest Statement (form ADM-3043) on file.

### Policy and Procedures

Caltrans establishes uniform policies and procedures to assist the local agencies in meeting the program requirements for their projects. Caltrans, in collaboration with FHWA, interprets federal and state laws, rules and regulations, and provides guidance in the form of manuals, guidebooks, handbooks, reference materials and service, and training to assist the agencies in planning, designing, constructing, and maintaining their transportation systems.

Caltrans policy and procedure development is achieved in coordination and consultation with the FHWA, representatives of local agencies, MPOs, RTPAs, other affected agencies, and organizations.

### Program Management

Each specific local assistance program provides funding which requires distribution, management, and oversight control to ensure that the funds are expended in accordance with the program requirements and that allocations and budget authority are not exceeded. Caltrans distributes both state and federal fund allocations to the MPOs, RTPAs, cities, counties and others as specified by law.

Once the distributions are established, Caltrans provides program guidance for their expenditure. Some programs may require annual or periodic project application and selection to establish eligibility lists. Caltrans also monitors project implementation to ensure that the projects are implemented in a timely manner to achieve program goals. The *Local Assistance Program Guidelines* describes each current program.

### Conflict of Interest

49 CFR, Part 19.36 (b) (3) states that grantees and subgrantees will maintain a written code of standards of conduct, governing the performance of their employees engaged in the award and administration of contracts. No employee, officer, or agent of the grantee, or subgrantee, shall participate in selection, or in award of administration of a contract supported by federal funds, if a conflict of interest, real or apparent, would be involved. Such a conflict arises when: (i) the employee, officer, or agent (ii) any member of his immediate family (iii) his or her partner (iv) an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

In response to the above requirement and other laws and regulations, Caltrans has issued policy under Deputy Directive *DD-09-R3* titled Incompatible Activities and Conflict of Interest. This directive is to ensure that California Department of Transportation employees do not willfully engage in any employment or activities that are illegal, that are or give the appearance of being incompatible or in conflict with their duties as State employees, that discredit their profession, Caltrans or the State, or that have an adverse effect on the confidence of the public in the integrity of government.

Conflict of Interest Form ADM-3043 is to be completed annually by all Caltrans headquarters and district employees that review, rank and rate project applications from local agencies for any federal or state funded programs. Forms must be signed by the employee and their respective supervisor. Signatures from the Acquisition Analyst and Contract Officer are not required for DLA staff who are not acting as a contract manager. Immediate supervisors shall keep copies of the signed ADM-3043. Additional information on conflict of interest is provided by the Division of Procurement on the intranet at: <http://admin.dot.ca.gov/pc/coi.shtml#1>. Instructions are also included on the back of the ADM-3043 and an electronic version of the form is available on the Caltrans intranet at: <http://cefs.dot.ca.gov/forms/index.html>.

Compliance with this policy helps safeguard state and federal funds and the public's interest. Non-compliance with this policy could result in the loss of delegated purchasing or contracting authority for the individual or the entire department.

### Project Implementation

Some major federal-aid project implementation steps delegated by the FHWA to Caltrans cannot be further delegated to the local agency level and remain Caltrans' responsibility.

These are shown in [Exhibit 2-B: Federal-Aid Project Responsibilities List](#) and include:

- Funding Eligibility Determinations
- Acceptance of Right of Way certification and airspace agreement
- Railroad Agreement approval
- Utility Agreement and relocation approval
- Environmental approval actions pursuant to SAFETEA-LU Sections 6004 and 6005
- Financial Plans for projects over \$100 million
- Low Risk ITS project development
- Interstate access determination
- Approval of some Public Interest Findings
- Approval of preliminary plans for major and unusual structures
- Value engineering analysis (for NHS)
- Authorization of utility or railroad force account work
- Hiring of consultants in a management role
- Noise determination for PS&E approval



- Supplemental Work item justification
- Approval of liquidated damage rates
- Approval of major changes (requiring additional federal funds) and extra work
- ER damage assessments and report approval

The individual chapters covering these topics should be consulted for details concerning the responsibilities. Where the FHWA has not delegated final approval, Caltrans monitors local agency activities, reviews or prepares documents, and makes recommendations to FHWA.

Caltrans also provides assistance to the local agencies in interpreting the regulations, manuals and guidelines as they apply to specific project conditions. The District Local Assistance Offices and Headquarters DLA personnel are available to aid the local agency through the required process and procedural steps.

Where expertise is not otherwise available, the local agency may also request assistance from Caltrans technical specialists in solving special technical problems. Environmental issues, engineering services, right of way concerns, hazardous wastes, labor compliance, equal employment opportunity, Title VI, and Disadvantage Business Enterprise are among these areas where assistance is available. The use of this expertise must be requested early and be well coordinated to assure that Caltrans limited resources and personnel will be available when needed.

### **Oversight**

As outlined in Chapter 19, "Oversight and Process Reviews," of the *Local Assistance Procedures Manual* (LAPM), Caltrans and FHWA will use the process review and other oversight methods to determine if local agencies are in compliance with all federal-aid laws, regulations, and procedures. The oversight findings will be used to evaluate all aspects (including Title 23 requirements) of the local agencies federal-aid program and to improve local assistance procedures.

### **Maintenance Reviews**

Annually, Caltrans reviews project maintenance for selected agencies using federal-aid funds so that every agency is covered during a four-year cycle. Chapter 18, "Maintenance," of the LAPM describes these maintenance review procedures in detail.

## **2.12 CITY, COUNTY AND OTHER LOCAL PUBLIC AGENCY RESPONSIBILITIES**

The cities, counties, joint power authorities, transit agencies and other public agencies have the primary responsibility for implementing the specific projects which carry out the programs described in this manual. Nonprofit entities may also qualify for this. For the purpose of this manual, these agencies/entities are commonly called local agencies.

### **Project Implementation**

The local agency is responsible for the conception, planning, programming, environmental investigation, design, right of way, construction and maintenance of the projects on their local

transportation system. It must ensure that its staff members, consultants, and contractors comply with the applicable state and federal laws, regulations and procedures in developing, and constructing its projects.

If a local agency has never implemented a federal-aid or state funded project, or does so infrequently, it should review the processes with the DLAE prior to beginning any implementation activity. It may wish to seek the administrative services of another agency, which is more familiar with the process and procedure details.

Caltrans exercises its FHWA delegated authority by further delegating federal authority to local agencies to the greatest extent possible for those federal-aid projects that are located off of the State Highway System. The local agency is delegated decision-making authority and responsibility for most design and construction-related activities of federal-aid projects. These include:

- Getting the project into the FSTIP
- Preparing the Request for Authorization for each project phase
- Decision to hold field review for projects off the NHS
- Determining Project DBE contract goals
- For ITS projects and other projects with ITS elements, make a preliminary classification of High-Risk, Low-Risk, or Exempt
- Selecting consultant and approving consultant contracts
- Approving local design standards for projects off the NHS
- Approving design exceptions for projects on or off the NHS
- Preparing and certifying PS&E (Caltrans must approve the local agencies' PS&E procedures for most NHS projects and FHWA for High Profile)
- Qualifying/selecting right of way consultants
- Right of Way acquisitions and relocation
- Preparing and approving Quality Assurance Programs
- Advertising and awarding construction project
- Construction contract administration and inspection (Caltrans must approve the local agencies construction administration procedures for high cost, complex, corridor-type NHS projects)
- Construction contract acceptance on delegated projects
- Coordinating railroad agreements
- Contract compliance

The individual chapters covering these topics should be consulted for details concerning the responsibilities.

## Responsible Charge

Consistent with 23 CFR 172.9, a local agency must designate a full-time, public employee in **responsible charge** of each project. The role of the responsible charge is to ensure that the work delivered under contract is complete, accurate, and consistent with the terms, conditions, and specifications of the contract. The responsible charge's duties include:

- Administering inherently governmental activities including, but not limited to, contract negotiation, contract payment, and evaluation of compliance, performance, and quality of services provided by consultant.
- Being familiar with the contract requirements, scope of services to be performed, and products to be produced by the consultant.
- Being familiar with the qualifications and responsibilities of the consultant's staff and evaluating any requested changes in key personnel.
- Scheduling and attending progress and project review meetings, commensurate with the magnitude, complexity, and type of work, to ensure the work is progressing in accordance with established scope of work and schedule milestones.
- Ensuring consultant costs billed are allowable in accordance with the federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work.
- Evaluating and participating in decisions for contract modifications.
- Documenting contract monitoring activities and maintaining supporting contract records, as specified in 2 CFR 200.333.

The responsible charge must be employed directly by the local agency directly receiving federal funds. A consultant cannot be designated as the responsible charge of a project. The responsibilities of the responsible charge may be shared among a number of public employees. A public employee may be the responsible charge of several projects. The employee in responsible charge is not required to be an engineer.

## 2.13 California Transportation Commission (CTC)

The California Transportation Commission (CTC) is responsible for programming and allocating some federal-aid and state funded programs used for local assistance projects. It is the local agency's responsibility to submit a request for allocation on time per the CTC preparation schedule. Refer to <http://www.dot.ca.gov/hq/transprog/ctcliaison.htm>.

### Fund Allocation

When a project is ready for implementation, the CTC must vote to allocate funding to the programs. This action is commonly called the second vote.

## 2.14 METROPOLITAN PLANNING ORGANIZATIONS, REGIONAL TRANSPORTATION PLANNING AGENCIES AND COUNTY TRANSPORTATION COMMISSIONS

These organizations have broad transportation planning duties and responsibility for programming most projects using federal-aid or state allocations from the programs described in this manual.

These organizations are responsible for providing each local agency with their application rules, procedures and timelines. They are also responsible for providing the local agency with results of the decisions about its projects and the agency, CTC, and federal approval dates.

The local agency must work closely with these organizations to ensure that its projects are placed in the appropriate TIP with the correct funds in the proper years. Federal funds and many state funds cannot be obtained without this programming step.

[Project Development Procedure Manual \(PDPM\) Chapter 4: Programming](#) discusses the programming process in more detail.

## 2.15 OTHER PUBLIC AGENCIES AND ORGANIZATIONS

Other federal, state, regional and local entities may have an interest, role or jurisdiction in the development and implementation of a local project. Examples at the federal level include the Environmental Protection Agency, the Army Corps of Engineers, and the Fish and Wildlife Service. At the state level, examples include the Department of Fish and Game, Air Resources Board, and State Historic Preservation Officer, Regional agencies include the Air or Water Quality Control Boards and Flood Control Districts.

The State Resources Agency selects the projects to be funded by the CTC for the Environmental Enhancement and Mitigation (EEM) program.

The role of these agencies will vary with the project scope, location and environmental impact. Coordination should begin early to prevent critical delays later in the project development.

Quasi-public or nonprofit organizations may apply for and receive programmed funds for some programs, notably EEM. These agencies must follow the same rules and regulations, which apply to any other local agency developing a state or federal-aid funded project. When such an agency does not have a full staff of administrative, engineering, contracting, or accounting personnel, Caltrans encourages it to work through a local agency that can provide these services and is familiar with the applicable rules.

## 2.16 REFERENCES

- [Joint Stewardship and Oversight Agreement](http://www.dot.ca.gov/hq/oppd/stewardship/)  
<http://www.dot.ca.gov/hq/oppd/stewardship/>
- [SAFETEA-LU Section 1904](http://www.fhwa.dot.gov/safetealu/factsheets/stewardover.htm)  
<http://www.fhwa.dot.gov/safetealu/factsheets/stewardover.htm>
- [23 USC 106\(c\)](http://www.dot.ca.gov/hq/LocalPrograms/PE_over_10yrs/23cfr630_106.pdf)  
[http://www.dot.ca.gov/hq/LocalPrograms/PE\\_over\\_10yrs/23cfr630\\_106.pdf](http://www.dot.ca.gov/hq/LocalPrograms/PE_over_10yrs/23cfr630_106.pdf)

- [FHWA Major Projects website](http://www.fhwa.dot.gov/ipd/project_delivery/defined/fhwa_delivery_process.htm)  
[http://www.fhwa.dot.gov/ipd/project\\_delivery/defined/fhwa\\_delivery\\_process.htm](http://www.fhwa.dot.gov/ipd/project_delivery/defined/fhwa_delivery_process.htm)